



Gard (North America) Inc.
30 Broad Street
43rd Floor
New York NY 10004-2944

Tel 212-425-5100
Fax 212-425-8147

8 October 2006

Macsteel International USA Corp.
And/or Their Cargo Insurers
c/o Kingsley, Kingsley & Calkins
91 West Cherry St.
Hicksville, NY 11801

M/V GREAT RIVER
Alleged paint contamination to
Prime Newly Produced Hot Rolled Steel
High Carbon Wire Rod o/a 27 September 2006
B/L: HANSANOL0608001 through 15
Dated 12 August 2006
Your Ref: Unknown
Our Ref: 2700/06/GALDIN
Amount of Security: USD 1,300,000

Gentlemen:

In consideration of your refraining from arresting, attaching or otherwise detaining, the M/V GREAT RIVER ("Vessel") or any other vessel or property of her Owner or any other vessel or property of any company in the same or associated ownership, management or control in connection with the referenced cargo claim, the undersigned Association hereby undertakes:

1. To file or cause to be filed, upon your demand an appearance, on behalf of M/V GREAT RIVER, *in rem*, and a verified Statement of Right or Interest in the Vessel in one suit you may timely file against the Vessel *in rem* in the U.S. District Court for the Southern District of New York, seeking damages allegedly arising out of the referenced claim ("Suit") irrespective of the vessel not being in the jurisdiction of the Court at the time (and without raising any defenses as to her absence from said jurisdiction).
2. In the event a final judgment (after final appeal, if any) be entered in your favor against the GREAT RIVER *in rem* in the Suit as referenced in paragraph 1 above then the undersigned Association agrees to pay and satisfy one said final judgment up to and not exceeding US\$1,300,000, (One Million Three Hundred Thousand U.S. Dollars), inclusive of interest

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and costs, or any lesser amount decreed by the Court or settled between the parties without final judgment being rendered.

3. Upon demand to cause to be filed a Bond in form and sufficiency of surety satisfactory to you or to the Court in the above amount securing your claim against the said Vessel in one said Suit mentioned in paragraph 1.
4. In the event the Bond referred to in paragraph 3 is filed then the undersigned Association shall have no further obligation under this undertaking.

It is agreed that the amount of the Letter of Undertaking shall be promptly reduced if the amount of your claim, presently said by you to be US\$ 1,300,000, is reduced voluntarily or by the Court, and it is further agreed that this Undertaking is without prejudice to Owner's right to make an appropriate application to the Court to reduce the amount of security provided herein.

It is understood and agreed that the signing of this letter by Gard (North America), Inc. is not to be construed as binding Gard (North America), Inc. but is to be binding only upon Assuranceforeningen Gard -gjensidig-. Neither this agreement nor obligations under it may be assigned without written agreement of Assuranceforeningen Gard -gjensidig-.

In the event the proceedings referred to in paragraph 1 are terminated or dismissed without judgment being rendered in your favor, or in the event that payment of your claim or of an agreed settlement of your claim is made to you, this letter of undertaking shall be returned to the undersigned Association.

The rights of the parties in the aforementioned *in rem* action shall be, and for all purposes shall be taken to be, exactly the same as they would have been had the Vessel, in fact, been taken in custody by the United States Marshal of the U.S. District Court for the Southern District of New York under the *in rem* process and released from arrest upon the filing of a release bond.

This letter is written entirely without prejudice to any rights or defenses which the said Vessel and/or Owner of the said Vessel may have, none of which is to be regarded as waived.

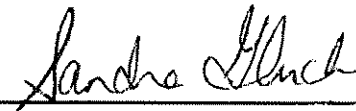
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Very truly yours,

For and on behalf of

Assuranceforeningen GARD
-gjensidig-

By Gard (North America), Inc.

By: 
Sandra Gluck

(As Attorney-in-Fact for the above limited purpose only,
as per authority received from Assuranceforeningen GARD -gjensidig
8 October 2006)